

Sheryl Southwell Testimony

Subcommittee on Finance and Tax Hearing of 8/4/09

We are a manufacturer based in Woodburn, Oregon. For more than 40 years we have been supplying water based polymers to companies that make products such as paint, deck coatings, concrete coatings, as well as wood doors and windows. As the recession hit, our business was hit.

Over the past two years we have had to cut, cut and cut some more. At the beginning of 2007 we had 144 employees, as of today we have 83 – that is 61 people – 61 family wage manufacturing jobs that are gone. And quite frankly I am not sure when, if ever, they will come back.

We don't spend any money unless it is absolutely necessary – I don't care if it is for raw materials, printing literature, buying promotional products, taking a customer to dinner, or the cleaning of our office building. If it is not critical to our business, we don't do it. There is absolutely nothing – zero – being spent on equipment; no pumps, no piping, no stainless steel mixing tubs. We have had to suspend donations to local agencies and causes that we have supported for many years.

We know that the lost jobs impact our community. We know that not buying goods and services from local suppliers impacts our community. We know not being able to donate to local agencies impacts our community. But this is the reality the economic climate today.

Business requires access to money. The news tells us daily the challenges of the credit markets. It is harder to get, and more expensive. We have worked closely with our bank, but it has cost us more money than in the past.

Several years ago, we looked at an SBA loan to help finance a particular project. This was done in conjunction with our bank. It was discouraging – the SBA provided no solutions to a manufacturing business our size. There were no options for us – our size, the capital intensive nature of our business, coupled with the burdensome requirements made it impossible. Specialty Polymers is classified as a small business, but we did not seem to fit the profile the SBA was designed to serve.

As Congressman Schrader indicated in his announcement for this hearing, small business provides jobs to 57 out of every 100 Oregonians. These small businesses are personally committed to their communities. They buy from local suppliers, they pay taxes, they donate to local agencies. Our employees spend their money in our local cities and towns. When small businesses suffer, it greatly impacts the community.

I know many small business owners; myself included feel that the bail outs and the stimulus plan has passed them by. There was nothing in these plans to support small businesses. If we are going to work our way out of this recession, small business has to be healthy. And there needs to be a clear understanding that small businesses come in all shapes and sizes. The SBA needs to be able to provide solutions for the "bigger" small businesses.